

ORIGINAL



0000129573

Steve Wene, State Bar No. 019630
MOYES SELLERS & HENDRICKS LTD.
1850 N. Central Ave., Suite 1100
Phoenix, Arizona 85004
Telephone: 602-604-2141
swene@law-mhs.com

RECEIVED

2011 SEP 13 P 4: 02

AZ CORP COMMISSION
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, CHAIRMAN
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP
BRENDA BURNS

Arizona Corporation Commission
DOCKETED

SEP 13 2011

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
INDIADA WATER COMPANY, INC., FOR
APPROVAL OF A PERMANENT INCREASE
IN ITS WATER RATES.

DOCKET NO. W-02031A-10-0168

IN THE MATTER OF THE APPLICATION OF
ANTELOPE RUN WATER COMPANY FOR
APPROVAL OF A PERMANENT INCREASE
IN ITS WATER RATES.

DOCKET NO. W-02327A-10-0169

IN THE MATTER OF THE APPLICATION OF
BOB B. WATKINS DBA EAST SLOPE
WATER COMPANY FOR APPROVAL OF
ITS PERMANENT INCREASE IN ITS
WATER RATES.

DOCKET NO. W-01906A-10-0170

IN THE MATTER OF THE APPLICATION OF
BOB B. WATKINS DBA EAST SLOPE
WATER COMPANY, INDIADA WATER
COMPANY, INC., AND ANTELOPE RUN
WATER COMPANY FOR APPROVAL OF A
TRANSFER OF ASSETS AND

DOCKET NO. W-01906A-10-0171
DOCKET NO. W-02031A-10-0171
DOCKET NO. W-02327A-10-0171

CERTIFICATES OF CONVENIENCE AND
NECESSITY.

IN THE MATTER OF THE APPLICATION OF
BOB B. WATKINS DBA EAST SLOPE
WATER COMPANY FOR AUTHORITY TO
INCUR LONG-TERM DEBT.

DOCKET NO. W-01906A-10-0183

IN THE MATTER OF THE APPLICATION OF
INDIADA WATER COMPANY, INC. FOR
AUTHORITY TO INCUR LONG-TERM
DEBT.

DOCKET NO. W-02031A-10-0184

IN THE MATTER OF THE APPLICATION OF
ANTELOPE RUN WATER COMPANY FOR
AUTHORITY TO INCUR LONG-TERM
DEBT.

DOCKET NO. W-02327A-10-0185

**NOTICE OF FILING
ISSUES TABLE**

East Slope Water Company, Antelope Run Water Company, and Indiada Water
Company (collectively "Companies") hereby give notice that the Companies are filing
the issues table identifying the issues that will be addressed at the hearing. *See*
Attachment 1. Both the Companies and Staff believe certain issues that were outstanding
have been resolved recently. The issues chart identifies these issues as well. The
Companies and Staff reserve the right to raise additional issues as deemed necessary.

RESPECTFULLY SUBMITTED this 13th day of September, 2011.

MOYES SELLERS & HENDRICKS LTD.



Steve Wene
Attorneys for the Companies

1
2 Original and 13 copies of the foregoing
3 filed this 13th day of September, 2011, with:

4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington
7 Phoenix, Arizona 85007

8 Donnelly Herbert
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ATTACHMENT 1

CHART OF ISSUES

CONTESTED ISSUES	COMPANY POSITION	STAFF POSITION
Customer Security Deposits	Deposits must be paid back in one year, so never used for plant and should not be deducted from plant or rate base.	The customer deposits contained meter and service installation charges; Staff reclassified those as AIAC. Deposits should be deducted from rate base and interest should be included in operating expenses
Emergency Rate Case Expense	Expense was justified and properly amortized.	Adjustment was appropriate as this is a non-recurring expense.
WIFA Surcharge	Surcharge is reasonable, but needs to include money to pay for the reserves required by WIFA	Proposed surcharge includes principal, interest and income taxes. Staff's cash flow analysis shows sufficient cash to pay WIFA reserve
Rate of Return (ROR) & Operating Margin (OM)		
<i>Indiada</i>	ROR = 16.49% OM = 13.40%	10%
<i>Antelope Run</i>	ROR = 13.77% OM = 13.34%	10%
<i>East Slope</i>	ROR = 25.00% OM = 12.00%	10%
<i>ESARIN Consolidated</i>	ROR = 20.00% OM = 12.40%	10%
BMPs	Resolved – ESARIN agrees to 3 BMPs	
Pumping Equipment	Resolved – No \$3,310 adjustment to Account 311	
CIAC	Resolved – Staff no longer removing \$15,231 in depreciation expense annually. Will amortize \$353	